
THE INFLUENCE OF SERVICE QUALITY AND PROMOTION ON CUSTOMER DECISIONS (STUDY ON ONE OF THE ISLAMIC BANKING IN BANDUNG)

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ABSTRACT

One of the essential factors in marketing the Islamic banking sector is the customer's decision to save. This study aims to determine the effect of service quality and promotion on customer decisions to save. For this reason, the researcher uses a survey approach to nasals at one of the Islamic banking in Bandung City with 100 customers as respondents. This study uses a descriptive and verification approach to answer the posed problem formulation. The study results indicate that there is a significant effect of service quality and promotion on customer decisions to save. The results of the study recommend promoting through social media such as Instagram Ads, Facebook Ads, and Youtube Ads and increasing QRIS merchants to attract new customers under the age range of 30 years.

Keywords: service quality, promotion, customer decision.

INTRODUCTION

The development of technology and industry changes human life, especially in today's world. The industrial revolution 4.0 is a tangible form of change that significantly affects the world's ecosystems and ways of life. (Ghobakhloo, 2020) This condition can be an excellent opportunity for the company if it can take advantage of it as best as possible or vice versa; it will boomerang that poses many threats. (Kamble, Gunasekaran & Gawankar, 2018)

The current significant technological developments are motivated by people's behavior. People's behavior and habits will continue to change over time. Therefore, companies need to observe consumer behavior and the factors that influence consumer choices. (Sidharta & Suzanto, 2015) Because in the marketing concept, one way to achieve company goals is to know the needs and desires of consumers or target markets and provide the expected choices more effectively and efficiently than competitors. (Ungerman, Dedkova & Gurinova, 2018)

Islamic banking, as a bank that carries out the sharia and establishes in the economic field by following Islamic law, must compete in attracting and seizing customers. However, the competition is very complex because the Indonesian people, as the target customers, have been in contact with conventional banking for too long. Therefore, until now, Islamic banking has not become the primary choice. According to the Financial Services Authority data, this situation can be seen from the market share of sharia banking deposits to national banking deposits at the end of 2019 of 6.81%.

Based on the study object data, the number of savings accounts for all customers shows the development of the number of customer savings accounts from 2015 to 2019; the number of customer savings accounts above has continuously increased, but the percentage growth has decreased. In the coming year, the bank is optimistic that opening new customer savings accounts is targeted to grow twice as large as the growth in the previous year. With the online account opening service, opening new customer savings accounts is targeted to increase by 20% from the previous year. Whereas in the previous year, it only targeted to increase by 10%. Therefore, to achieve this target, the right strategy must be carried out to increase the number of interested customers and decide to save.

Data on the number of customer savings accounts indicate that customer savings accounts from 2015 to 2019 are growing every year. However, the percentage that occurs has decreased. For example, from 2016, wadiah savings and mudharabah savings only grew by 13%. At the end of 2019, the number of wadiah savings accounts was 13,707 with a percentage growth of 11% from 2018, the number of Mudharabah savings accounts at the end of 2019 was 10,919 with a percentage growth of 9%, and the total customer savings account at the end of 2019 was 24,626.

Therefore, to achieve the target, the bank must increase the number of customer savings accounts with minimum growth of 20% from 2019. The bank must try to attract new customers and decide to save; at least the growth of new savings accounts until the end of the coming year is 4,925.

From this data, the customer's decision to save at the bank is good in terms of numbers because it continues to grow, only the percentage has decreased. However, to increase the percentage to match the specified target, other factors that support the customer's decision to save must also be increased. Souiden & Rani (2015) stated that purchasing decisions are one part of consumer behavior where consumer behavior is an action that is directly involved in obtaining determining products and services, including the decision-making process that precedes and follows these actions. From the above statement, the customer's decision to save see from the results of consumer evaluations of the product, or other factors offered, the service that has felt before when choosing the product or from a trusted brand.

Many factors can influence the customer's decision to save, including product quality, service quality, price, trust, brand image, satisfaction, and promotion. Based on the pre-survey results on the quality of service, which consisted of 35 respondents. This data shows that the quality of service gets an average score of 3.28 with the criteria of Good Enough. From the above data processing results, the quality of service is still considered

quite good. This result means that the quality of service is not optimal to improve customer decisions to save, especially in the dimensions of Reliability and Responsiveness; special attention is needed to bind service quality.

In the service industry, service quality is vital for the company's existence; banking services are no exception. Therefore, the quality of service is the "product" that the bank first sells to attract customers to decide to save at the bank. Maximizing the quality of bank services is one way to compete with other banks. To get customer loyalty, companies or banks need to carry out the right marketing strategy to influence customer loyalty. According to Juhana, Manik, Febrinella & Sidharta (2015), quality is the best guarantee of customer loyalty, the company's most robust defense against the competition, and the only way to maintain growth and income.

The bank has tried to improve the quality of service with service excellence or excellent service. This program focused on employee competency improvement strategies through CS and Teller certification, excellent service training, and service leadership training. However, some things are still lacking in service quality. This data can be seen from the lack of customer service so that the services provided by customer service are still slow and less responsive in understanding customer needs. Also, the speed of tellers in completing transactions is still slow, branch offices are difficult to contact by customers, and physical facilities and supporting equipment such as ATMs are not yet available up-to-date or up-to-date.

Then another supporting factor that influences the customer's decision to save is promotion. Promotion is an essential factor in realizing the sales goals of a company. Therefore, promotion is one of the determining factors for the success of a marketing program. Following are the bank's promotions, but the interest in opening new savings accounts has not increased significantly. Therefore, to measure customer satisfaction with the promotion that has been given, it can be seen from the pre-survey data showing that the promotion gets an average score of 3.29 with the criteria of Good Enough. This data can see from various dimensions; namely, Advertising got a score of 3.43 in the Good category, Personal Sales got a score of 2.97 in the Good Enough category, Sales Promotion got a score of 3.09 in the Good Enough category. In addition, public Relations got a score of 3.49 in the Good category, Information by word of mouth got a score of 3.29 in the Fairly Good category, and Direct Marketing got a score of 3.46 in the Good category.

From the above data processing results, promotion is considered quite good, which means that promotion is not optimal to improve customer decisions to save, especially in the dimensions of Individual Sales and Sales Promotion, special attention is needed to bind promotions.

Regardless of the quality of a product or service, if consumers have never heard of it and are not sure that the product will be helpful to customers, then the customer will never buy and use it. In essence, promotion is a form of marketing communication (Othman, Harun, De Almeida & Sadq, 2020). So promotion is one of the essential aspects of marketing management. With the promotion, we can make consumers who were

initially not interested in a product change their minds and become interested in the product. (Pakurár, Haddad, Nagy, Popp & Oláh, 2019)

Based on the description above, the researcher formulates the problem, namely how service quality and promotion influence customer decisions, and the research objective is to determine the effect of service quality and promotion on customer decisions.

METHOD

Based on the variables to be studied, this research method uses a descriptive and verification research approach. The descriptive research method is to find out the description of the research variables. In contrast, the verification method aims to determine the causality relationship between variables through hypothesis testing through a statistical calculation to generate evidence that shows the hypothesis is rejected or accepted. This research was carried out in one of the Islamic banks in Bandung City for four months in 2020. The sample that will use is 100 customers with an accidental sampling technique.

The research variables consist of independent variables, namely service quality, with measurement dimensions consisting of tangibles, reliability, responsiveness, assurance, empathy. Promotion with measurement dimensions consists of advertising, sales promotion, personal selling, public relations, word of mouth, direct marketing.

The dependent variable is Savings Decision, with measurement dimensions consisting of product selection, brand choice, purchase channel selection, purchase amount, purchase time, and payment method.

Before the instrument or measuring instrument is used to collect research data, it is necessary to test the questionnaire to find out the validity and reliability of the measuring instrument. Validity and reliability testing is the process of testing the question items in a questionnaire, whether the contents of the questions are valid and reliable.

Path analysis is used to show a relationship that shows how much influence a particular variable has, either directly or indirectly, on other variables. So, in this case, the problem is cause and effect. The term used in this path analysis is the exogenous variable, the causal variable (X)—endogenous variables, which are the result, and implicit variables, which are factors other than exogenous variables.

RESULTS AND DISCUSSION

The results of the data quality test show that the research instrument is valid with a correlation value between items > 0.3 and reliable with a Cronbach alpha value > 0.7 , as shown in Table 1 below:

Table 1. The Results of the Validity and Reliability of the Instrument

No	r	No	r	No	r
X _{1.1}	0.305	X _{2.1}	0.470	Y1	0.449
X _{1.2}	0.435	X _{2.2}	0.460	Y2	0.453
X _{1.3}	0.442	X _{2.3}	0.594	Y3	0.441
X _{1.4}	0.408	X _{2.4}	0.406	Y4	0.455
X _{1.5}	0.492	X _{2.5}	0.348	Y5	0.358
X _{1.6}	0.628	X _{2.6}	0.409	Y6	0.437
X _{1.7}	0.545	X _{2.7}	0.568	Y7	0.440
X _{1.8}	0.456	X _{2.8}	0.470	Y8	0.532
X _{1.9}	0.425	X _{2.9}	0.646	Y9	0.446
X _{1.10}	0.363	X _{2.10}	0.541	Y10	0.359
X _{1.11}	0.431	X _{2.11}	0.449	Y11	0.448
X _{1.12}	0.644	X _{2.12}	0.394	Y12	0.370
X _{1.13}	0.570	X _{2.13}	0.344	Y13	0.479
X _{1.14}	0.526	X _{2.14}	0.426	Y14	0.363
X _{1.15}	0.485	X _{2.15}	0.307	Y15	0.362
Reliability test					
Service Quality				0.844	
Promotion				0.827	
Customer's Decision				0.812	

The results of descriptive calculations show that the quality of service has quite good criteria with an average rating of 3.36 because the value is in the interval 2.61 – 3.40. This data shows that the respondents gave a reasonably good assessment of the Service Quality variable.

There are two statements with the lowest score in statement number 9, namely the statement: "Employees provide services quickly and accurately," with an average value of 3.08. Moreover, on the statement: "Employees understand the specific needs of their customers" with an average score of 3.17. Finally, the highest average value is in the statement: "If a customer has a problem, employees will help solve it," with an average value of 3.49.

The results of this study follow what was stated by Parasuraman, Berry & Zeithaml (1993) that there are five dimensions of Service Quality (X1), namely: Reliability, Responsiveness, Assurance, Empathy, Tangibles. The company's success in providing quality services to its customers, achieving high market share, and increasing company profits is primarily determined by the five dimensions above.

Based on the facts in the field, it shows that the bank has provided the best quality service to customers; the method used is also following the material, but the quality of

service provided is still not optimal because seen from the questionnaire data there are still several statements whose average value is in the pretty good category. However, the facts in the field also show the weaknesses in the quality of service. For example, it can see that the queues for customers who will make transactions take a long time. One of the reasons is that there are no transaction facilities such as cash deposit ATMs that can reduce the number of queues and speed up transactions. This data is, of course, very unfortunate because it has an impact on customer service that is less specific and detailed in fulfilling customer desires or expectations due to limited time; it is necessary to improve the quality of services provided to customers.

The promotion has quite good criteria with an average rating of 3.39 because the value is 2.61 – 3.40. Therefore, this data shows that the respondents gave a reasonably good assessment of the Promotion variable.

There are two statements with the lowest score in the statement: "I know the location and savings products from the family," with an average value of 3.20. The statement: "I got a recommendation from a friend to open a savings account" with an average value of 3.24. The highest average value is in the statement: "Customers receive a complete and detailed explanation of savings products," with an average value of 3.48.

The results of this study follow what was stated by De Bruin, Roberts-Lombard & De Meyer-Heydenrych (2020); promotion is a means used to inform, persuade, and remind consumers both directly and indirectly about the products and brands they sell. The Promotional Mix consists of six main communication models: advertising, personal selling, sales promotion, public relations, a word of mouth, and marketing publications.

The facts on the ground show that they have tried to form good promotions for customers, customer service always provides clear and detailed information on savings products. Customer Service also always uploads new content that informs promotional programs on social media, especially Instagram, which is enough to attract customers' attention, especially millennials. However, other facts in the field show the lack of attention paid to customers after opening a savings account; customers are not given special offers to invite their family, friends, and relatives to open a savings account. So there needs to be an increase to form a promotion so that it sees as even better.

The customer's decision has fairly good criteria with an average rating of 3.37 because the value is in the interval 2.61 – 3.40. There are two statements with the lowest score in the statement: "I decided to save because I serve cash deposits through an ATM," with an average value of 3.21. The statement: "I visited the Bank because of the many advantages I got" with an average value of 3.23. The highest average value is in the statement: "I decided to open a savings account because it is better than other bank savings products," with an average value of 3.47.

The results of this study follow what was stated by Bayer, Gimpel & Sarikaya (2019) that purchase decisions do not just happen because several sub-decisions help consumers make purchasing decisions. There are six dimensions in the purchase decision: product

selection, brand selection, purchase channel selection, purchase amount, the timing of purchase, and payment method.

Based on the facts, the Bank has tried to attract customers to save; the method used is also following the material; customers are pleased to open a savings account because they think that the product is better than competitors' products. However, other facts in the field show the lack of quality of services provided, such as the unavailability of cash deposit ATM facilities which affect the speed of service, and word of mouth promotion is still low, so it is necessary to increase efforts to attract customers to decide to save.

The results of the verification calculation show that the relationship between Service Quality (X1) and Promotion (X2) of 0.888 is in a solid and unidirectional relationship because the value is positive. Furthermore, the calculation results show the path calculation results that the X1 path coefficient variable is 0.431 and the X2 path coefficient variable is 0.464.

From the calculation, it knows that the results of the path analysis of the Service Quality and Promotion variables on the Customer's Decision to Save can be seen in Figure 1 below:

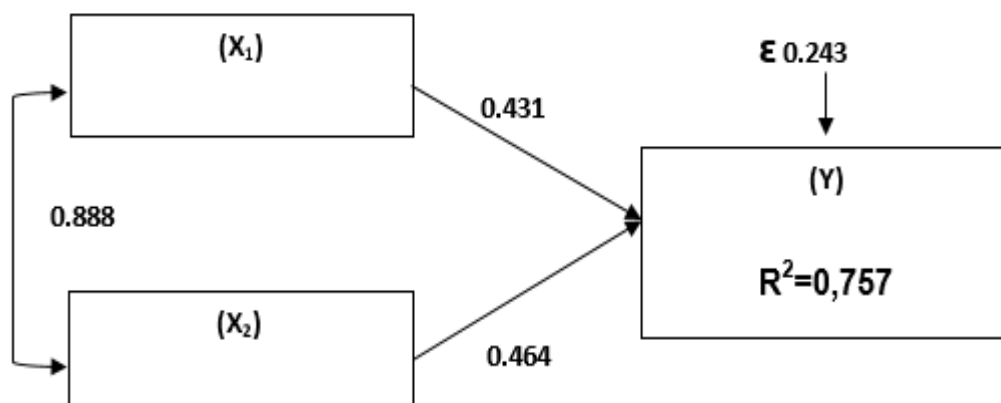


Figure 1. The Influence of Service Quality and Promotion on Customer Decisions

Based on Figure 1, the path equation is obtained as follows:

$$Y = 0.431X_1 + 0.464X_2 + \epsilon, R^2 = 0.757$$

Where:

X1 = Service Quality

X2 = Promotion

Y = Customer's Decision

ϵ = Epsilon variable (Unexamined variable that affects Saving Decision)

The magnitude of the research variables' influence can see in table 2 below.

Table 2. Calculation Results of Research Variables

VARIABLES	Direct	Indirect		TOTAL
		X1	X2	
X1	0,186		0,178	0,364
X2	0,215	0,178		0,393
TOTAL	0,401	0,178	0,178	0,757

The calculation is the Direct Effect of Service Quality (X1) on the Customer's Decision to Save (Y) = 0.186. So, the direct effect of Service Quality (X1) on Customer Decisions (Y) is 0.186 or 18.6%. Direct Effect of Promotion (X2) on Customer Decision (Y) = 0.215. So, the effect of Promotion (X2) on Customer Decision (Y) is 0.215 or 21.5%. Indirect Effect of Service Quality (X1) on Customer Decisions (Y) = 0.178. So, the indirect effect of Service Quality (X1) on Customer Decisions (Y) is 0.178 or 17.8% Indirect Effect of Promotion (X2) on Customer Decision (Y) = 0.178. So, the indirect effect of Promotion (X2) on Customer Decision (Y) is 0.178 or 17.8%. Total Influence of Service Quality (X1) and Promotion (X2) on Customer Decisions (Y) = 0.757 or 75.7% and other factors not examined and also affect Customer Satisfaction shown by the value of $\rho_e = 0.243$ or 24.3%, such as product quality, price, brand image, location, buying interest, and others.

Based on the research and data processing results, Service Quality (X1) has a dominant influence on Customer Decisions to Save (Y) with a direct effect of 18.6% and an indirect effect of 17.8%. So that the total effect of Service Quality on Customer Decisions is 36.4%, service quality is essential for Islamic banking and is a concern to be further improved.

This results in line with Pakurár, Haddad, Nagy, Popp & Oláh (2019) that service quality can influence customer savings. In addition, high service quality and high customer satisfaction lead to higher purchase intention and repeat purchases. One model illustrating this relationship suggests that service quality and consumer behavioral intentions are interrelated and that service quality determines whether consumers end up staying with the company or defecting to competitors.

Based on the facts in the field, physical facilities such as comfortable waiting facilities, the availability of vehicle parking without parking fees, the readiness of customer service when serving customers, security in transactions, and various other services, are very influential things to keep customers saving and even being able to attract new customers to open a savings account.

Based on the research and data processing, Promotion (X2) has a dominant influence on the Customer's Decision to Save (Y) with a direct effect of 21.5% and an indirect effect of 17.8%. So the total effect of Promotion (X2) on the Customer's Decision to Save

(Y) is 39.3%. Therefore, promotion is essential for Islamic banking and is a concern to be further improved.

This result is in line with Othman, Harun, De Almeida & Sadq (2020) that sales promotion includes promotional programs when it can stimulate consumers to make purchases through sales promotions. The higher the customer's perceived value, the higher the purchase decision will be.

Based on facts in the field, promotions are carried out such as providing product information through advertisements and social media, distributing brochures, opening bazaars at every Muslim study event, being able to provide good information to prospective customers about the advantages and benefits of Islamic banks and introducing various types of savings products available. Strengthened by collaboration between various parties and attractive promos to persuade customers is convenient and has a strong influence on increasing the number of customer savings accounts.

The results of the calculation of the contribution of all independent variables, namely Service Quality (X1) and Promotion (X2), in determining variations in Customer Decisions to Save (Y) are 75.7%. Furthermore, the rest are other factors that are not examined and influence the Customer's Decision to Save, 24.3%. Other variables were not examined: product quality, price, promotion, and loyalty.

This study is in line with Souiden & Rani (2015), which states that marketing that does not pay attention to the quality of the products or services offered will bear the disloyalty of consumers. As a result, product sales will tend to decline. On the other hand, if marketers pay attention to the quality of services and products, even strengthened by advertising and reasonable prices, consumers will not think long to purchase the product.

Therefore, the quality of service is closely related to promotion in the customer's factor in deciding whether to save or not. Based on the facts in the field, customer service always offers existing savings products to new customers, which is balanced with good knowledge products so that questions raised by customers can answer correctly; the information on savings products provided is by what customers expect. Therefore, the quality of service and promotion are closely related and influence the customer's decision to save.

CONCLUSION

The conclusion from the study results shows that the quality of service is in reasonably good criteria. Promotion is a pretty good criterion. The customer's decision to save is a reasonably good criterion. Service quality has a dominant influence on the customer's decision to save; this shows that if the quality of service is, in fact, the same or more than expected, the quality of service can be said to be of high quality or satisfactory. On the other hand, if the reality is less than expected, the service quality can be of poor

quality or unsatisfactory. The promotion has a dominant influence on the customer's decision to save; this shows that if the promotion is, in fact, the same or more than expected, the promotion can be said to be successful or satisfactory.

Conversely, if the reality is less than expected, the promotion can be unsuccessful or unsatisfactory. Furthermore, the influence of service quality and promotion on customer decisions jointly has a significant influence. These results indicate that the two variables included in a significant category and the rest are other factors not examined but affect the customer's decision to save.

In improving the customer's decision to save, the quality of service expects to improve the quality of service for the better. One recommended providing training or training education to employees, especially new employees, to serve customers quickly, precisely, and accurately. Furthermore, it can understand the specific needs of its customers so that customer desires can be fulfilled according to their expectations. Furthermore, to maximize the service, the addition of employees needs to be considered so that the service becomes faster. Promotions expect to increase promotions to be more optimal by holding promos by providing a bonus amount of money or shopping vouchers for customers who can invite their family and relatives to open a savings account. So that customers are interested in inviting their family and relatives to open a savings account, it is recommended to promote through social media such as Instagram Ads, Facebook Ads, and Youtube Ads as well as increase QRIS merchants in order to attract new customers under the age range of 30 years. The customer's decision expects to provide an ATM that can make cash deposits to speed up and make it easier for customers to make deposits without queueing at the Teller. As well as improving the quality of services and promotions so that customers feel they have many advantages by saving. Whether it is time benefits due to fast and accurate service or get material benefits from getting profitable promos.

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